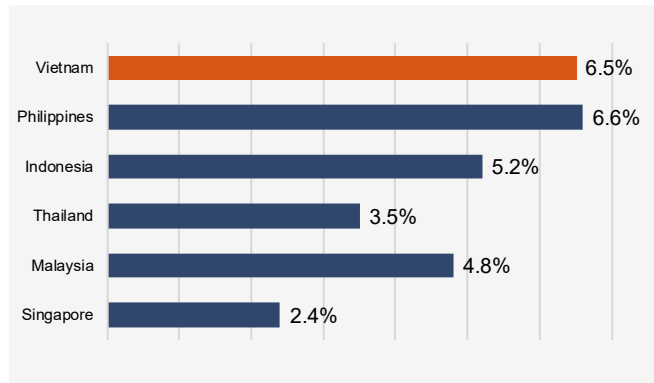


Media Release



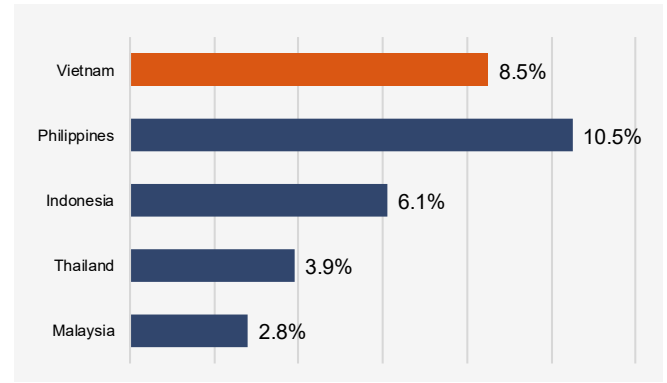
REGIONAL OVERVIEW

GDP Forecast, 2019-2021



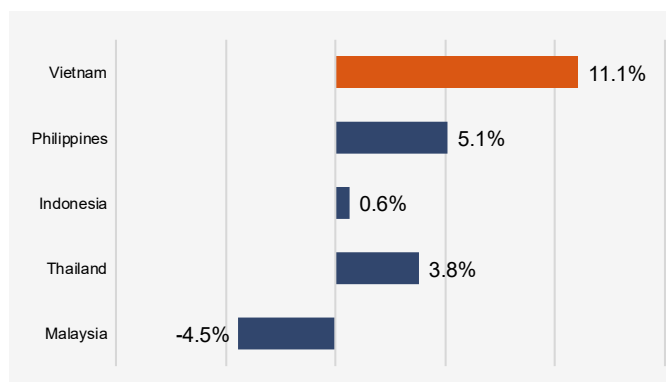
Source International Monetary Fund

Fixed Investment Growth, H1/2019



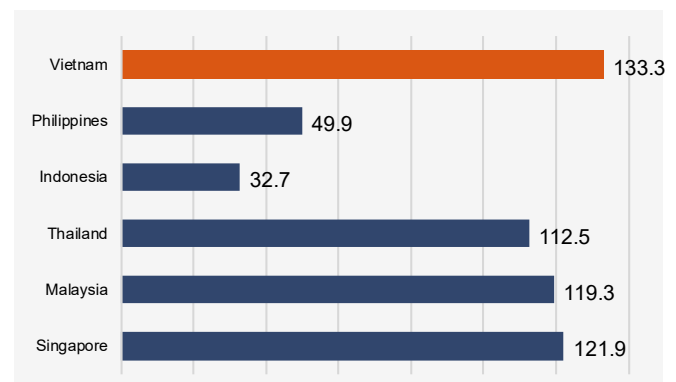
Source World Bank

Stock Index Movement, H1/2019



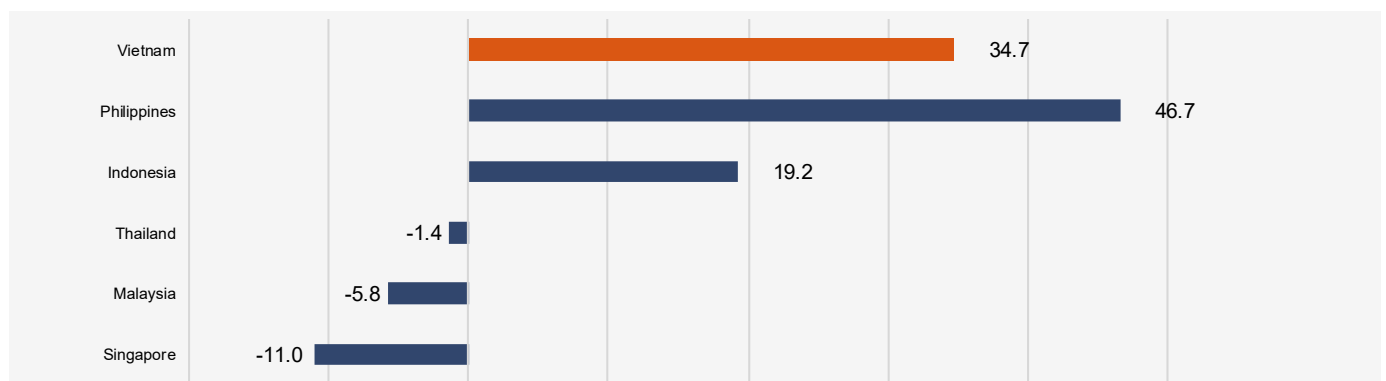
Source Trading Economics

Credit to Private Sector (%/GDP), 2018



Source World Bank

Business Confidence Index, 2019/20



Source TheGlobalEconomy.com

Over the next 3 years Vietnam has the highest GDP growth in Southeast Asia. Fixed investment has increased, credit is under control, and the stock market has recovered after a slump. Investor confidence is also high, driven by improvement in the business environment.

VIETNAM MACRO INDICATORS 9M/2019

GDP GROWTH RATE



7.0 % ↑ 0.02 ppt

RETAIL SALES



158 BILLION \$ ↑ 9.2%

CREDIT GROWTH



8.4 % ↓ 1.1 PPTS

TRADE SURPLUS



5.9 BILLION \$ N/A

INTERNATIONAL VISITORS



12.8 MILLION ↑ 11%

FDI



(Registered FDI) (FDI Disbursement)
26.2 / 14.2 ↑ 3% ↑ 7.3% BILLION \$

MORTGAGE RATE



11 % Stable

CPI



2.5 % ↓ 0.8 ppt

NEWLY ESTABLISHED BUSINESSES



102,300 UNIT ↑ 5.9%

● Value ● YoY Growth Rate(%)

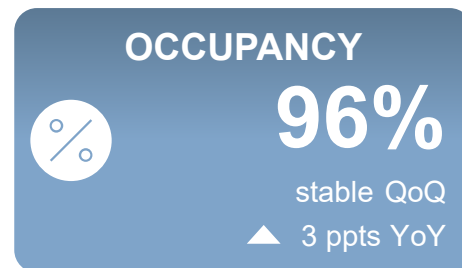
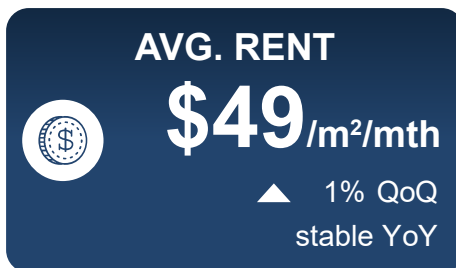
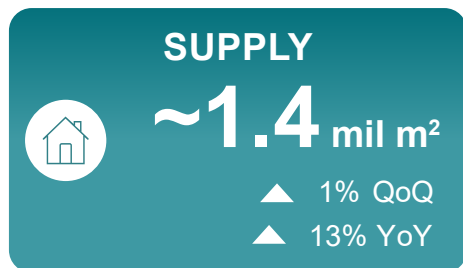
The GDP growth rate increased by 7% in 9M/2019, the highest in the last nine years. The main drivers of economic growth were the manufacturing and processing industry (up 11% YoY) and the services sector (wholesale and retail increased 8% YoY).

Strong export value of over US\$190 billion resulted in a US\$5.9 billion trade surplus in 9M/2019. The US was the largest export market.

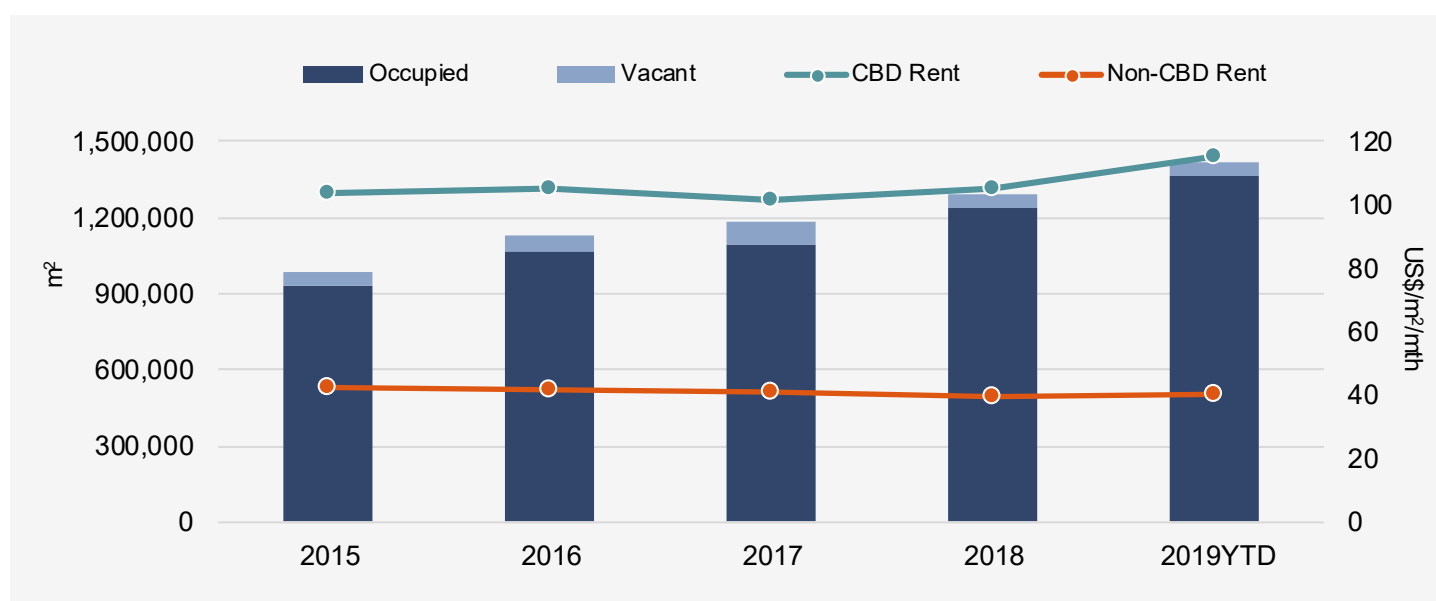
Newly registered and additional FDI decreased -20% YoY to US\$15.7 billion; however, M&A and share purchases by foreign investors surged 82% YoY to US\$10.4 billion. Total registered FDI was US\$26.2 billion, up 3% YoY. Disbursed FDI increased 7% YoY to over US\$14 billion. Korea was the largest FDI contributor whilst the manufacturing and processing sector attracted the highest investment.

CPI is well controlled below 3%, and international visitor momentum continued with 12.8 million visitors, increasing 11% YoY.

HCMC - RETAIL: IMPROVING OCCUPANCY

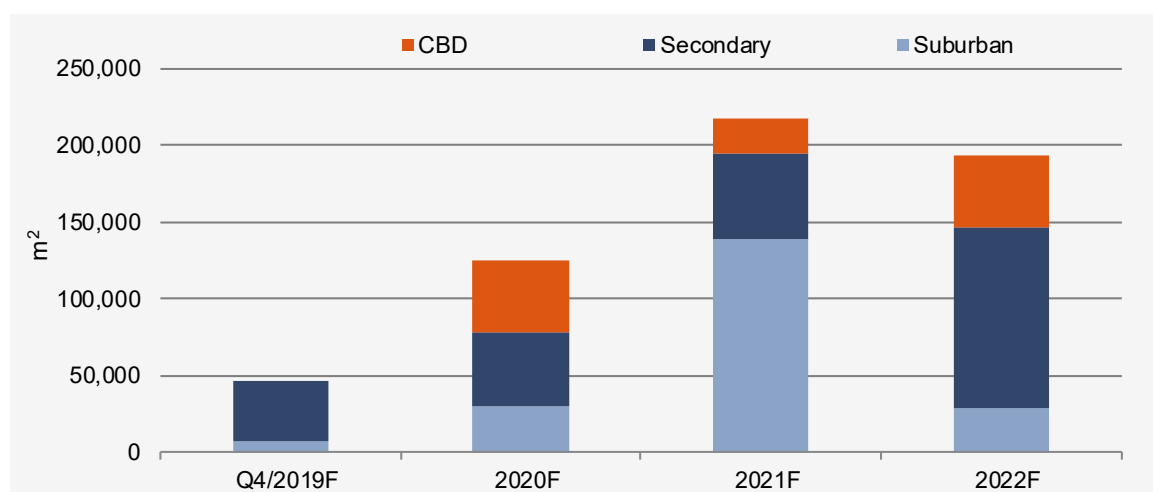


Market Performance



Source Savills Research and Consultancy

Future Supply till 2022



Source Savills Research and Consultancy

(1) Data collection as of Q3/2019
 (2) Occupancy calculated by leased area divided by leasable area
 (3) Avg. Rent: ground level rent, including service charge, excluding VAT

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“ With the F&B sector heating up, new international brands are entering HCMC; testing established local chains. This competition will ensure a healthy market environment and satisfied customers.”

*Tu Thi Hong An, Associate Director,
Head of Commercial Leasing*



KEY FINDINGS

Strong Performance

Retail stock grew 1% QoQ and 13% YoY. By Q3/2019, total city stock was over 1.4 million m² due to the entry of two podiums and one shopping centre in the non-CBD. Despite new supply, occupancy remained high at 96%, up 3 pts YoY, indicating strong demand.

CBD Space Remains Limited

Due to shortage of supply in the CBD, landlords have been opportunistic by either increasing rents for new leases or replacing low-rent subsidiary tenants. The asking rent of newly released space and lease renewals in District 1 Shopping Centres surged by up to 30 percent. Union Square will relaunch in 2020 and is expected to break CBD rent records.

F&B Heats Up

Local F&B chains retained a strong position and continued to expand current brands. Redsun, Golden Gate, Hoang Yen, Mesa and VIG are diversifying their portfolios by opening new locations with new brands. Several well-known international F&B brands will enter, including Hawker Chan (Michelin-star brand), Coffee Club, Ding Tai Fung, Greyhound and Putien.

Outlook

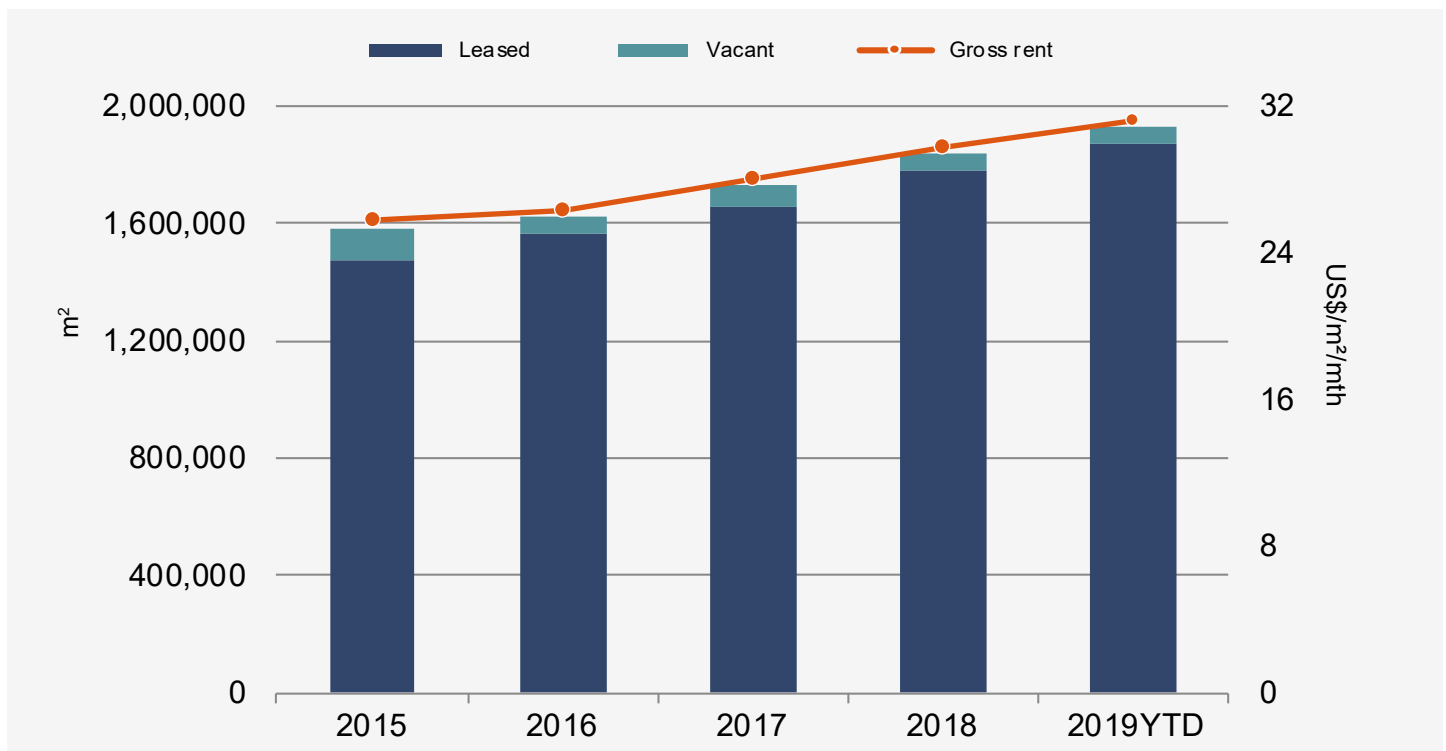
Until the end of 2021, future supply of over 390,000 m² is expected to enter the market. The non-CBD will dominate with 82% of future stock. Prestige retailers may control their own brands within the CBD since recognizing the increasing amount of Vietnamese shoppers in their Singapore and Bangkok stores. However, as retail supply in premium locations is limited, rents are expected to rise.

There is less pressure in non-CBD areas due to the higher level of redevelopment. In these cases, it is mostly replacement stock, substituting the modern format for the obsolete existing buildings. Sales levels will remain similar, therefore rents will also stay in line.

HCMC - OFFICE: LANDLORDS THE WINNERS

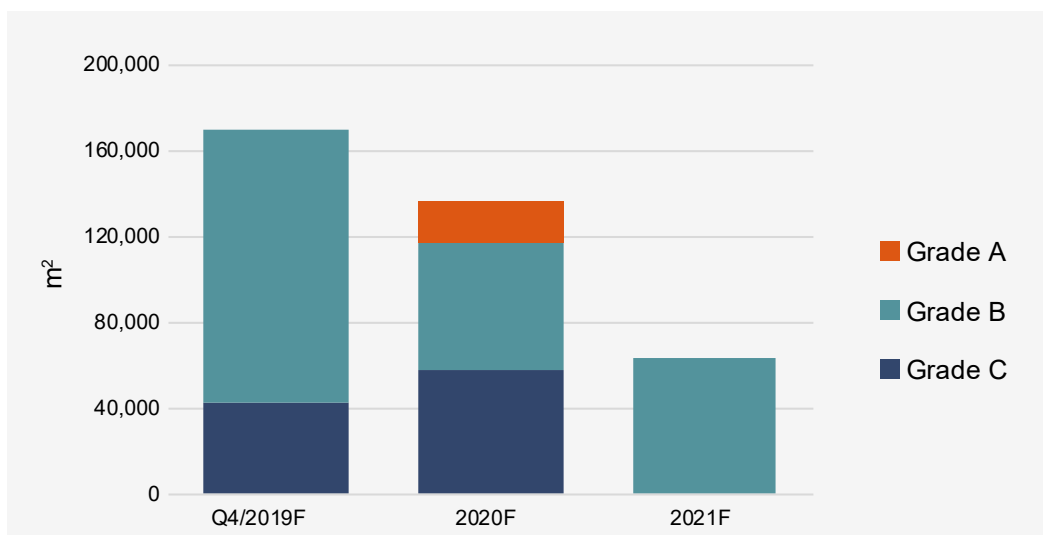


Market Performance



Source Savills Research and Consultancy

Future Supply till 2021



(1) Data collection as of Q3/2019
 (2) Occupancy calculated by leased area divided by leasable area
 (3) Avg. Rent: including service charge, excluding VAT

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“ Large occupiers seeking to renew leases or relocation are struggling to find large, uninterrupted floor plates due to the extremely limited amount of available stock.”

*Tu Thi Hong An, Associate Director,
Head of Commercial Leasing*



KEY FINDINGS

New Grade B Supply

After no new stock for three quarters, Grade B supply reached over 870,600 m², up 5% QoQ and 6% YoY. New Grade B projects accounted for 77% of new stock this quarter, due to the entry of SOFIC Office Building (21,400m²) and E-Town 5 (17,000m²), both in the non-CBD.

Rent Increased in all Grades

Average gross rents were up 2% QoQ in all Grades, reaching US\$32/m²/mth. Grade A had the greatest yearly improvement, with significant increases in both occupancy (2ppts) and rent (7%). Landlords reported rent increases based on high market demand.

Booming Co-working Spaces

HCMC ranked 41st among the 50 fastest growing co-working markets in the world by Co-working Resources. Co-working operators are rapidly expanding, taking multiple floors in future projects before handover. Co-working is no longer a model attracting only start-ups or SMEs; established corporations are switching to this model due to the flexibility offered. Big tenants such as We Work and Up Co-working leased large areas of 2,000-5,000m² in new projects.

As of Q3/2019, co-working operators focused on the CBD with 52% leased area. Grade B accounted for 36% of total co-working space, the highest among all Grades. With limited CBD supply expected, co-working space operators are showing interest in secondary areas with a large amount of new supply.

Outlook

By the end of 2021, the market will receive nearly 369,100m². The non-CBD will account for 55% of future supply with over 203,800 m²; of which, large-scale projects of over 20,000m² will account for 50%, indicating a shift to the non-CBD.

District 1 will have 40% of new supply; 89% will be the CBD. A notable project is Friendship Tower, the only Grade A project currently under construction. Located on the main street of Le Duan and developed by CZ Slovakia, this building is expected to come online in the first quarter of 2020 and has attracted numerous tenants; including a co-working operator taking up 1,400m² across two floors.

HCMC - HOTEL: MOMENTUM TO TRANSFORM

SUPPLY



~16.2k room

stable QoQ

▲ 2% YoY

AVG. ROOM RATE



\$83/room/night

▲ 3% QoQ

▲ 4% YoY

OCCUPANCY

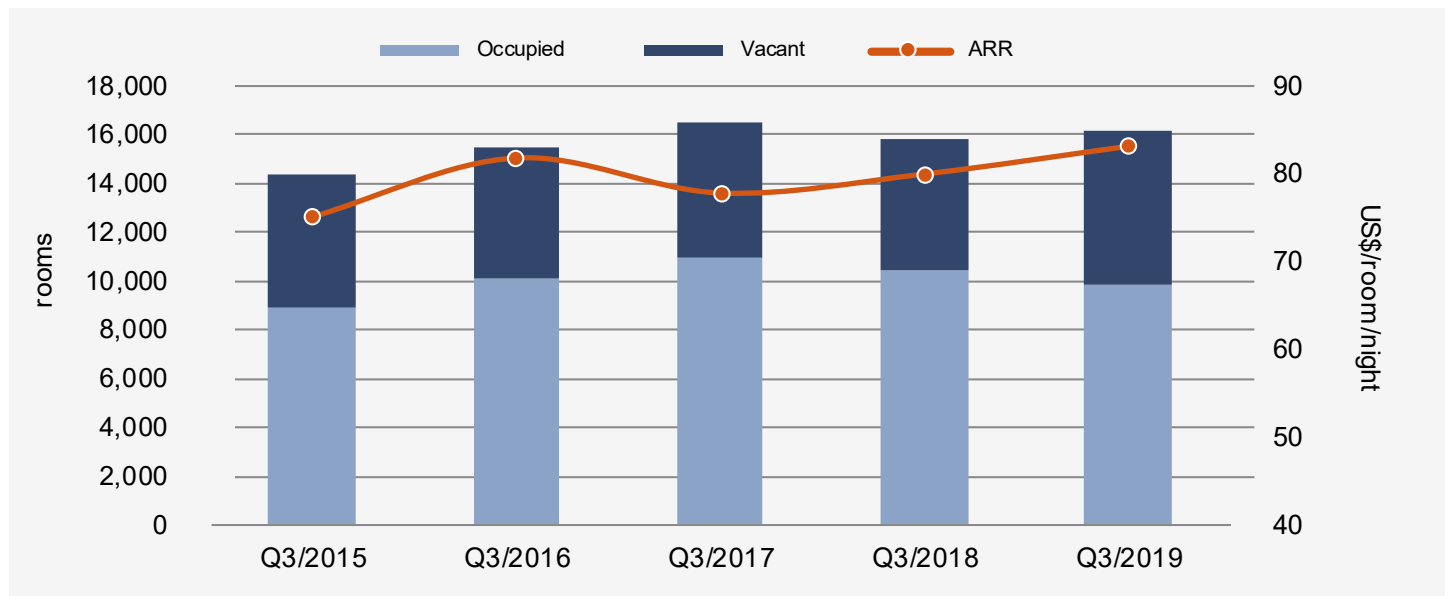


61%

▼ -2 pts QoQ

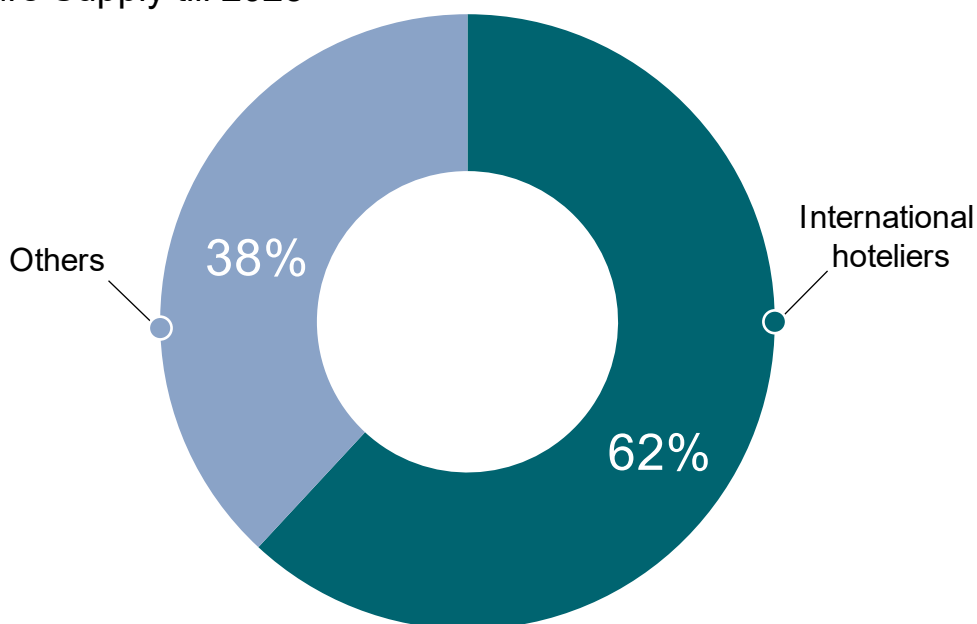
▼ -5 pts YoY

Market Performance



Source Savills Research and Consultancy

Future Supply till 2023



Source Savills Research and Consultancy

- (1) Data collection as of Q3/2019
 (2) Occupancy calculated by occupied units divided by total available units.
 (3) Avg. Room Rate: including service charge, excluding VAT

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“Strong interest remains from international brands seeking a presence in the gateway city. The slightly lower occupancy reflects the low season, however with more rooms added led YoY down. The longer term trends are emerging”

*Troy Griffiths,
Deputy Managing Director*



KEY FINDINGS

Solid Supply

The market supplied approximately 16,200 rooms. Holiday Inn & Suites Saigon Airport in Tan Binh District entered, providing 350 rooms. Total stock was unchanged QoQ due to the partial closure of 253 5-star rooms and the withdrawal of 157 3-star rooms in District 1.

This quarter there were numerous renovations, especially in upscale segments. Traditional players including Caravelle, New World and Renaissance are undergoing comprehensive refurbishments which could take more than a year to finish.

Difficulties Despite Positive Demand

According to HCMC's Tourism Department, the city attracted more than 6.2 million foreign visitors in the first nine months of 2019, up 14% YoY. This growth was 3ppts higher the national average, indicating rising accommodation demands.

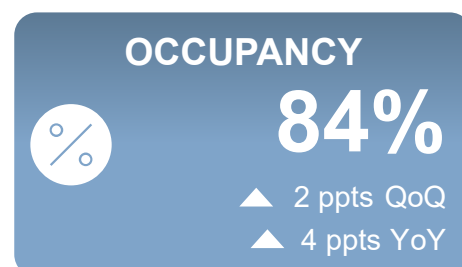
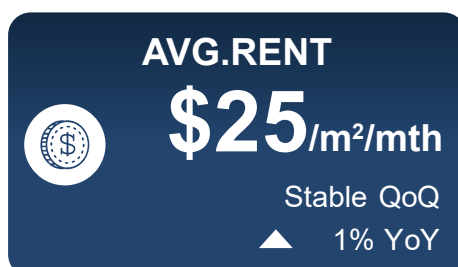
Overall occupancy dropped -2ppts QoQ and -5ppts YoY due to the slow down of the 4- and 3-star segment as a result of surging homestay supply supported by online platforms. Competition is tough as HCMC has the most online stock in Vietnam.

ARR growth in the 5-star segment was the main cause for the rise in overall room rates. Market-wide ARR reached US\$83/room/night, increasing 3% QoQ and 4% YoY. Despite a shift-share effect with emerging destinations with international airports, 5-star hotels in HCMC have limited price competition but could even see a rise in ARR after the completion of renovations.

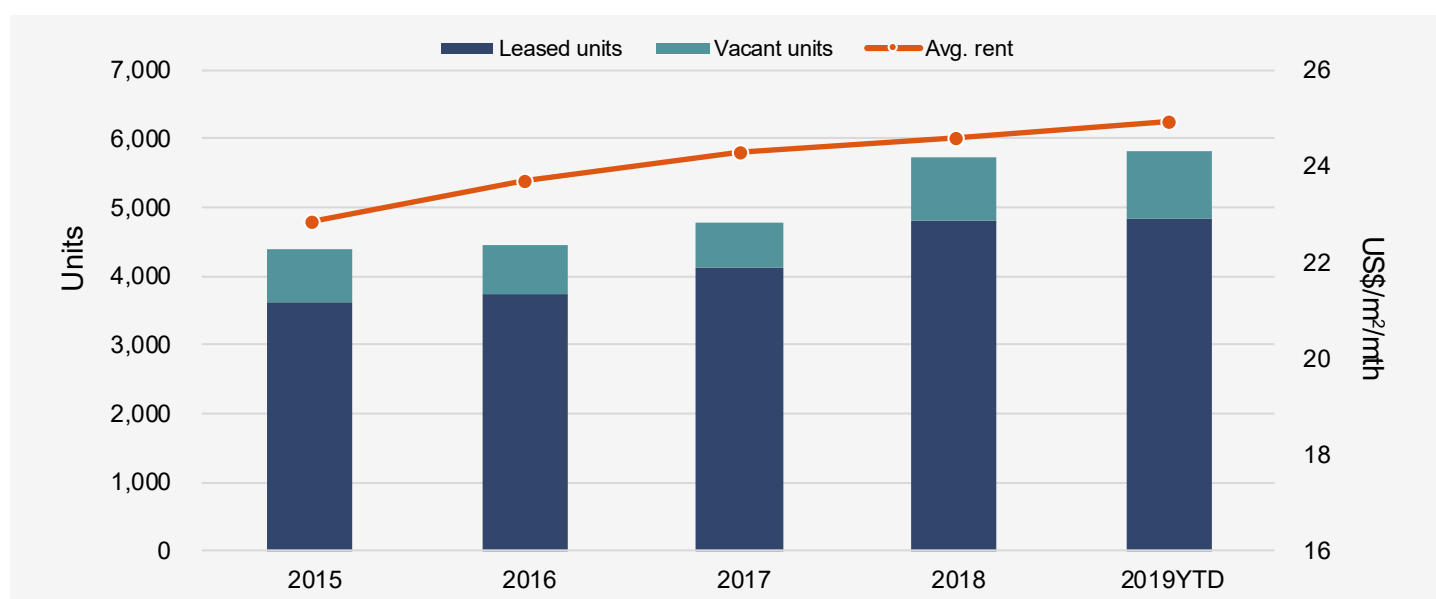
Outlook

The low penetration rate of international brands has drawn significant investment interest with a strong branded pipeline ahead. In HCMC, 62% of the total 5,000 future keys will be managed by well-known hoteliers, including Hilton Saigon (350 rooms), Mandarin Oriental Saigon (228 rooms) and Holiday Inn & Suite Saigon High Tech (300 rooms). Former 3-star properties are being upgraded with completion dates beyond 2019. These prime sites were acquired by branded chains and will compete in the mid-scale segment, notably De Charm Saigon, Aristo and The Odys.

HCMC - SERVICED APARTMENT: OCCUPANCY IMPROVED

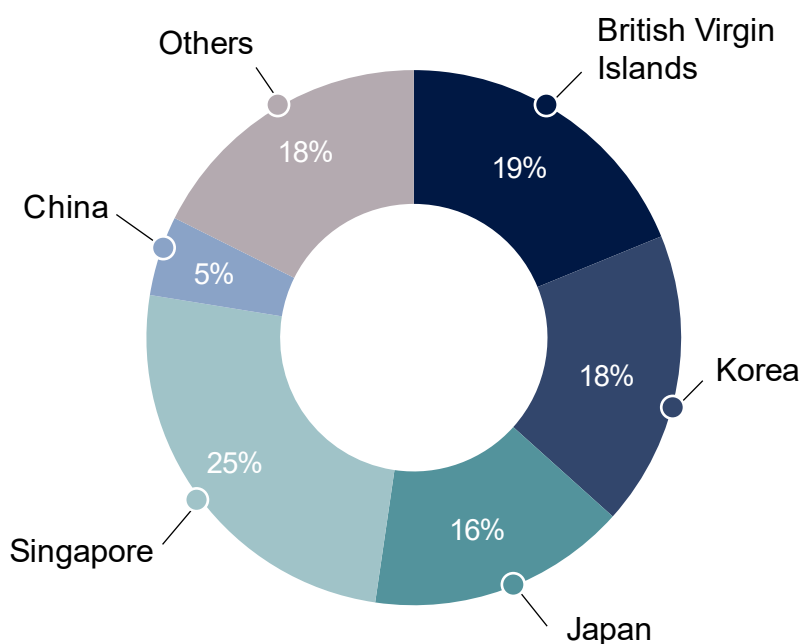



Market Performance



Source Savills Research and Consultancy

New FDI into HCMC By Nation



US\$953 million(9M/2019),
 **49% YoY**

Source PSO

(1) Data collection as of Q3/2019
 (2) Occupancy calculated by leased units divided by total units.
 (3) Avg. Rent: including service charge, excluding VAT

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“On the back of strong FDI flows, the serviced apartment sector continues to perform well. This resilience will be tested in the face of increased disruption, completion from hotels and wave of investment apartments.”

*Le Thi Quynh Le, Associate Director,
Residential Sales*



KEY FINDINGS

Limited New Supply

Approximately 5,800 units came from 88 projects, stable QoQ and YoY. One Grade C project operated by City House entered, providing 26 units. Serviced apartment projects managed and operated by chains performed well. Two Grade C projects withdrew from the market due to pressure from buy-to-let apartments.

Good Performance

Average occupancy increased by 2% QoQ and 4% YoY while rent was stable QoQ and up 1% YoY. Increased avg. rent YoY was the result of a rise in Grade B rent to US\$29/m²/mth, up 4% YoY. Grade B and C projects had average occupancy of 85% (up 2ppts QoQ and 1ppt YoY) and 82% (up 1ppt QoQ) respectively.

Foreign Direct Investment

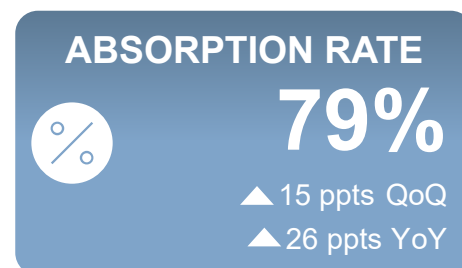
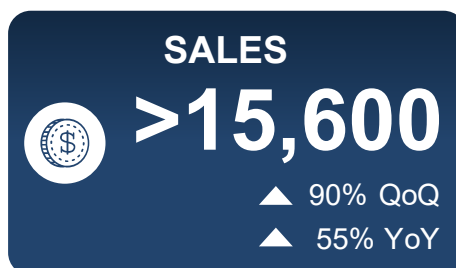
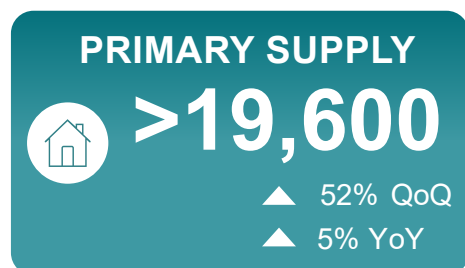
New FDI capital reached US\$953 million, mainly from real estate, commercial and manufacturing industries. From 2015-2019, HCMC FDI has continuously increased, leading to a variety in tenant mix. Asian countries such as Singapore, Japan and Korea remain key tenants.

Outlook

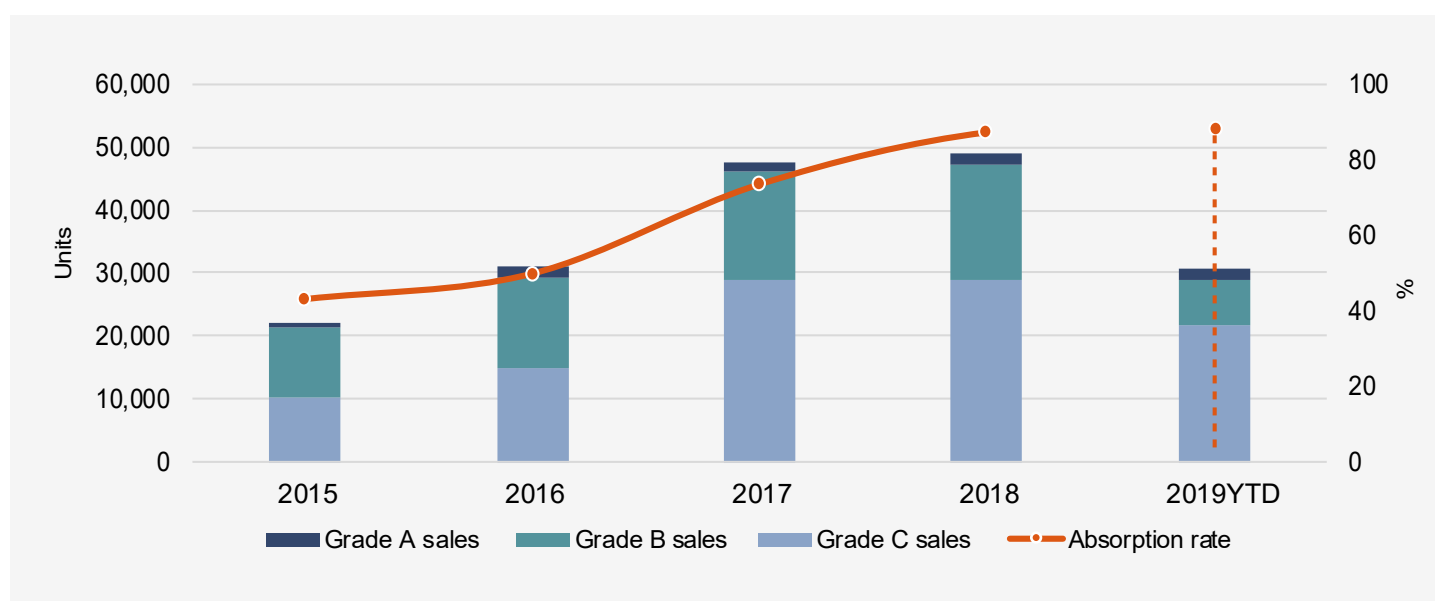
By 2022, 1,500 units will enter in response to the growing demand for long-term stays. Until the end of 2019, the CBD's market share will increase by 2ppts due to the entry of two Grade B projects providing 200 units.

Future supply will be mainly in the CBD and NUAs, which have many commercial buildings and shopping centers catering to high-end tenants. Stock in District 2, especially in Thu Thiem NUA, is expected to increase by 9% pa, higher than the average of 5% pa in the CBD from 2020 to 2022.

HCMC - APARTMENT: STRONG OVERALL PERFORMANCE

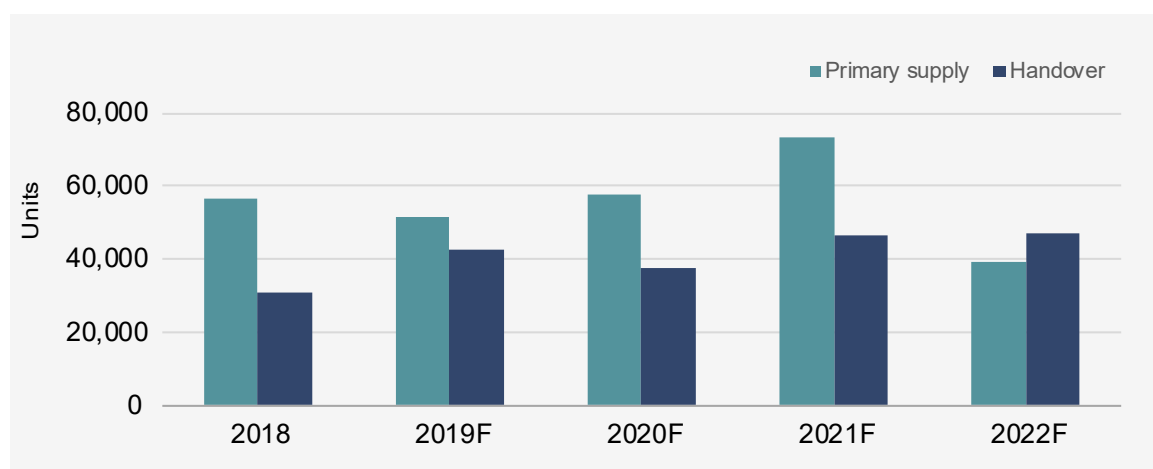


Market Performance



Source Savills Research and Consultancy

Outlook



Source Savills Research and Consultancy

(1) Data collection as of Q3/2019
(2) Absorption rate calculated by sales divided by primary supply

QoQ: Quarter on Quarter comparison
YoY: Year on Year comparison

“*Strong demand continues in the face of limited supply.
With administrative delays preventing new launches
then the secondary market has developed quickly.*”

Nguyen Khanh Duy,
Director of Residential Sales



KEY FINDINGS

Strong New Supply

In Q3/2019, there were over 19,000 primary units, 76% came from newly-launched projects. New supply was from the first launch of Vinhomes Grand Park by renowned local developer Vingroup. Pre-launch activities have been ongoing for over two years, resulting in 100% absorption with 40,000 bookings from over 80 sales agencies. Vinhomes Grand Park targets a wider purchaser pool by offering small apartments from 25-30m².

Improved Performance

In Q3/2019, there were over 15,600 transactions with 79% absorption. This is a strong improvement compared to the first two quarters of 2019, which had less than 9,000 quarterly transactions. Grade C was the market driver, accounting for 80% of total sales. New Grade A supply such as The Crest Residence (Metropole Thu Thiem) and the next phases of Grand Manhattan and Feliz Somerset had successful launches.

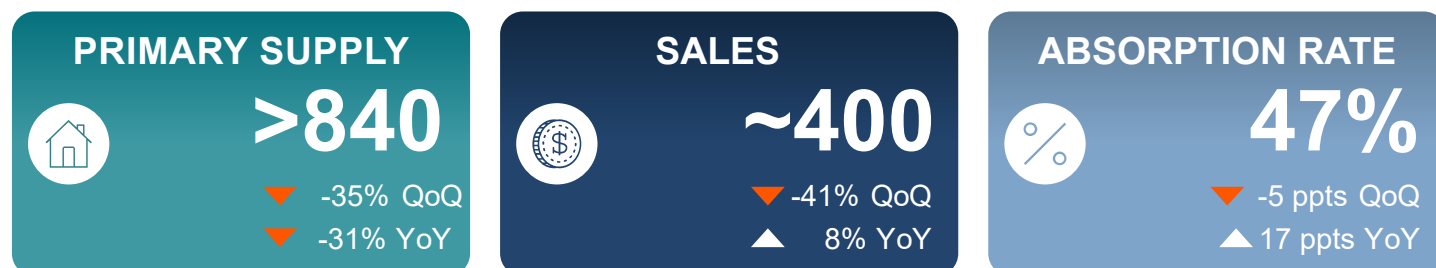
Greater Legal Transparency

Due to state inspections and tightening of administrative procedures, a greater emphasis on obtaining necessary legal documents is now being recognized by residential developers. Over 70% of primary supply was delivered with a Sale Purchase Agreement (SPA). Over 80% of supply has been delivered to owners, indicating a healthy market environment.

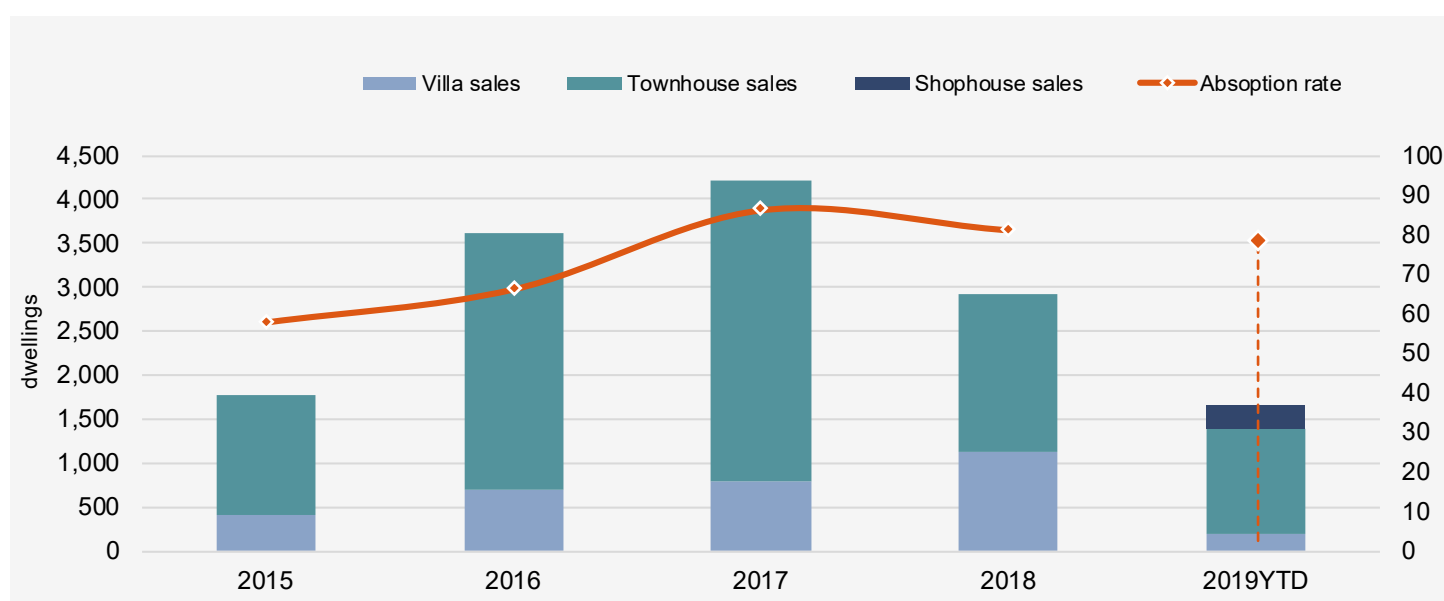
Outlook

In Q4/2019, over 20,600 units from 30 projects will enter, accounting for 13% of future supply till 2022. The next phase of Vinhomes Grand Park (The Ocean) will provide 48% of future stock. Future supply will peak in 2020-2021 with over 131,000 units. During this period district 2 and 9 will continue to lead with a 27% and 26% share, respectively.

HCMC - VILLA & TOWNHOUSE: LAUNCHES SCARCE

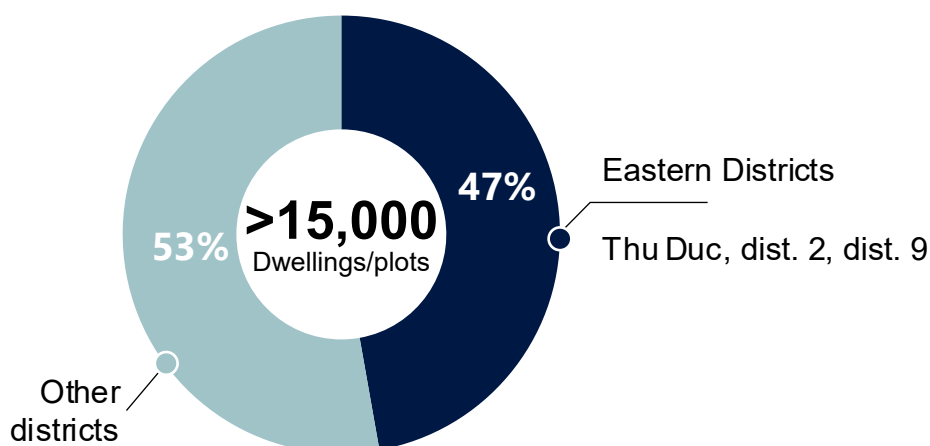


Market Performance



Source Savills Research and Consultancy

Future Supply till 2022



Source Savills Research and Consultancy

(1) Data collection as of Q3/2019
 (2) Absorption rate calculated by sales divided by primary supply

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“Strong land price escalation has narrowed options for investors while limited supply within HCMC has benefited outer areas with a large amount of new supply on offer.”

*Phan Thuy Hoang Kim
Marketing and Business Development Manager,
Residential Sales*



KEY FINDINGS

Launches Scarce

In Q3/2019, 220 dwellings entered, down -65% QoQ and -62% YoY, the lowest in the last four years. Limited land bank and tightened administrative procedures affected the launch of primary stock.

The HCMC Planning and Architecture Department has submitted a proposal to further tighten land management to restrict speculation in the land plot segment. This proposal will improve the current Decision No. 60/2017/QĐ-UBND, which stipulates a minimum area for separate land plots; more launches will be affected in the short term.

Primary Market Weakens

In Q3/2019, there were nearly 400 villa/townhouse transactions, dropping -41% QoQ. Absorption was 47%, decreasing -5 ppts QoQ. The lack of new supply and high-priced inventory limited choice. Over 75% of primary supply was priced at over \$300,000/dwelling. The majority of active projects had stable primary prices; several projects in prime locations with good construction status increased by over 10% YoY.

Land plots had strong sales and absorption, prices continued to increase in suburban areas such as Cu Chi, Binh Chanh and Nha Be.

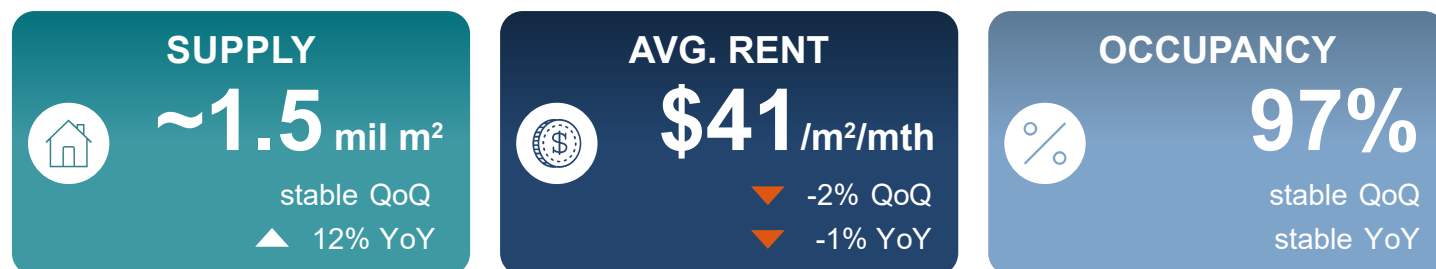
Key Infrastructure Drivers

The Eastern area will continue to drive the market, with a good land bank, local investment and key infrastructure development. Notable infrastructure includes Metro Line 1, Ring Road 3, Ha Noi Highway expansion and connecting bridges. The Eastern area accounted for 62% of sales this quarter; over 7,000 dwellings/plots will enter till 2022, accounting for 47% of future supply.

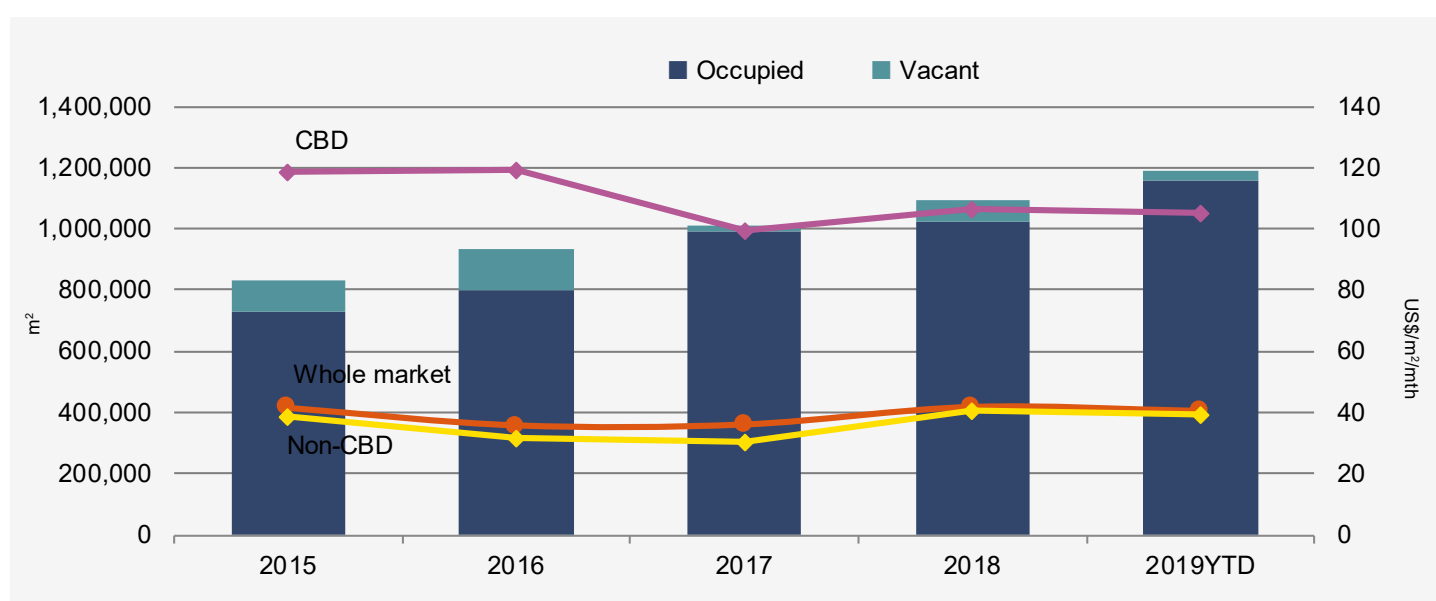
Outlook

Until 2022, 15,000 dwellings/plots will come online. Future supply is mainly located in suburban areas and developed in new large-scale townships. Local developers will continue to be the key players in the landed property market.

HANOI - RETAIL: IMPROVING OCCUPANCY

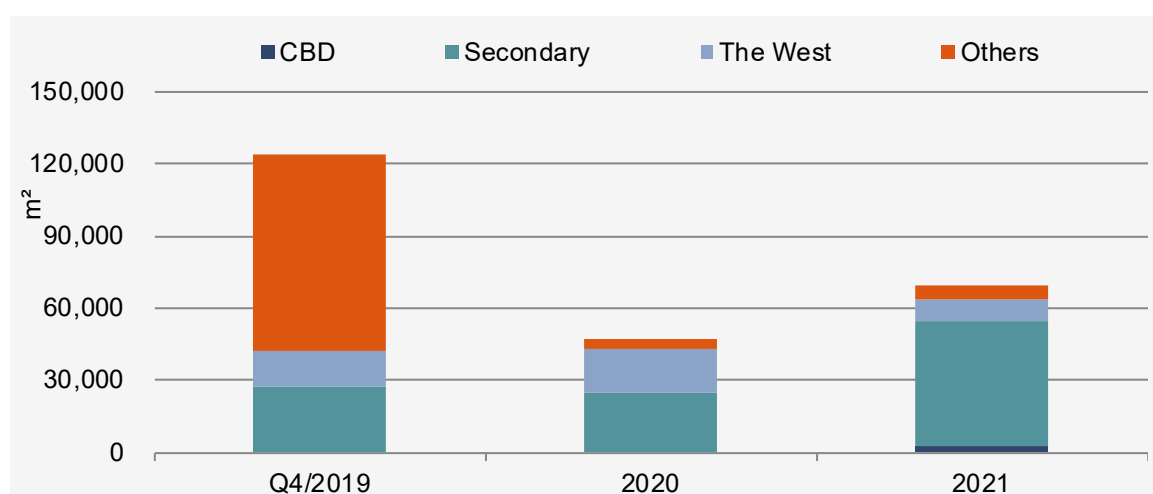


Market Performance



Source Savills Research and Consultancy

Future Supply



Source Savills Research and Consultancy

(1) Data collection as of Q3/2019
 (2) Occupancy calculated by leased area divided by leasable area
 (3) Avg. Rent: ground level rent, including service charge, excluding VAT

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“ Domestic competition continues to grow, this in turn fuels demand for quality retail property. The Secondary area and Shopping Centers will be refurbished to maintain competitiveness.”

Troy Griffiths , Deputy Managing Director



KEY FINDINGS

Stable Performance

Total stock was approximately 1.5 million m², stable QoQ and up 12% YoY. The Secondary area maintained the largest market share, followed by the West. Average ground floor gross rent was down -2% QoQ and -1% YoY, whilst occupancy was stable QoQ and YoY. The West registered the strongest rent growth whilst the CBD had the highest occupancy increase. Highest take-ups occurred in the shopping centre segment and the West area.

Increasing Consumer Optimism

Sales have increased by an average of 9% pa for the past five years. In 9M/2019, sales reached approximately VND 254.1 trillion, or US\$10.9 billion, up 12.7% YoY, reflecting higher demand and consumer optimism. Contributing to growth was consumer confidence regarding job prospects and personal finances, as well as the willingness to spend on big-ticket items. The continued improvement in key economic indicators has led to the growth in categories such as travelling, out-of-home activities and technology or health-related products.

Entertainment and F&B Emerging

Entertainment was the leading category in terms of leased area with a 26% share, followed by Fashion & Cosmetics. Landlords have reduced their dependence on Fashion & Cosmetics, which explained a -4-ppt decline as compared to 2017. Meanwhile, the proportion of non-retail tenants such as spas, fitness centres, laundries, education centres and art galleries increased 3 ppts. Despite its less significant share, F&B attracted the highest volume of visitors and paying customers.

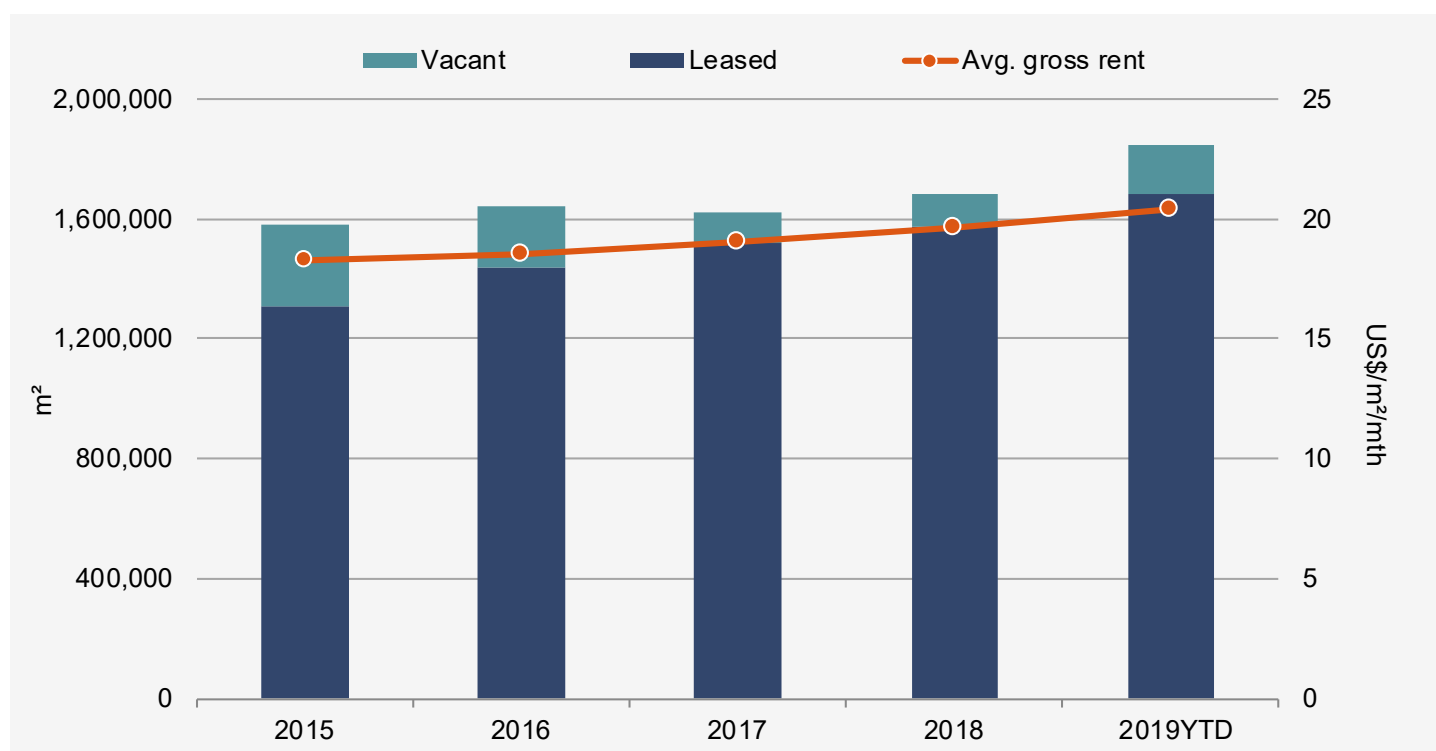
Future Growth in The Secondary Area

Until 2021, 23 projects with approximately 241,000 m² will enter, mostly in the Secondary and 'Others' areas. Not until 2021 will the CBD welcome another project, whilst no new supply is scheduled in the East for the next two years. Most future projects will be in fast-growing residential and commercial areas with developing infrastructure and traffic systems.

HANOI - OFFICE: RENT CONTINUOUSLY INCREASED

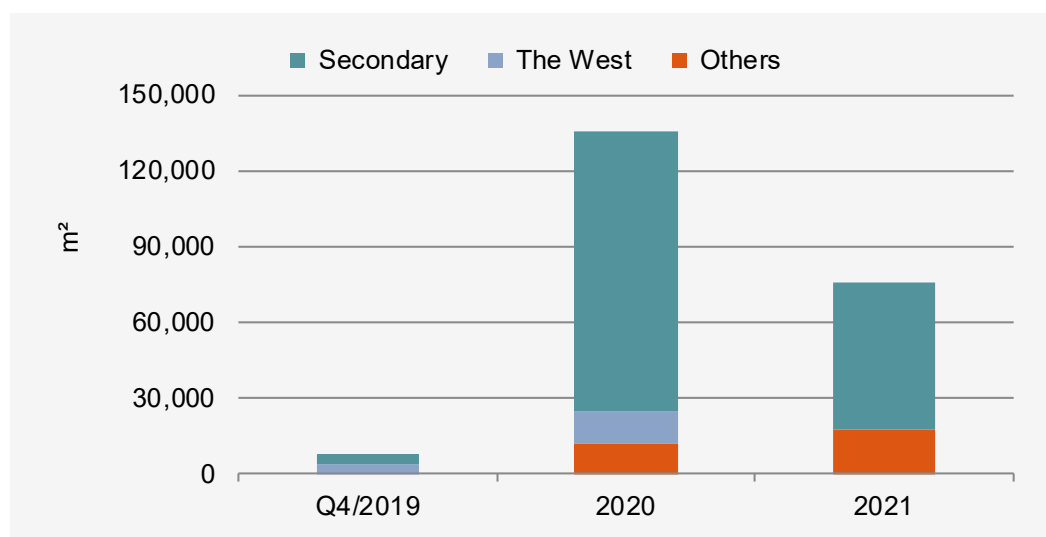


Market Performance



Source Savills Research and Consultancy

Future Supply



(1) Data collection as of Q3/2019
 (2) Occupancy calculated by leased area divided by leasable area
 (3) Avg. Rent: including service charge, excluding VAT

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“*Low Grade A vacancy rates coupled with a confident business sector, are placing huge demand on existing office buildings – which will lead to an inevitable jump in rent. Experienced tenants are confirming their space needs now for the next rental cycle at higher quality office developments.*”

Hoang Nguyet Minh,
Associate Director, Commercial Leasing



KEY FINDINGS

Strong Growth of Grade A and B Supply

Total stock was approximately 1.8 million m², increasing 3% QoQ and 10% YoY with an additional 59,000 m² from six new projects, most of which were Grade B (56%), followed by Grade A (36%). New projects were in the Secondary and the West areas. The West welcomed its first Grade A building in five years.

Continuously Increased Rent

Average rent continued to increase 1% QoQ and 4% YoY, reaching a six-year high. Grade B and the West had the strongest growth. Occupancy was down -2 pts QoQ and -2 pts YoY due to new project launches. New Grade B buildings offer higher rent than the market average and newer facilities.

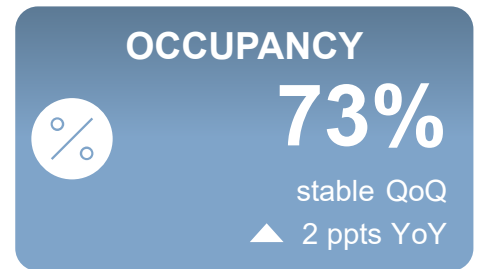
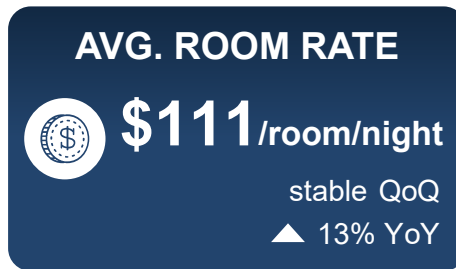
Strong Demand from SMEs

In 9M/2019, take-up was 107,000 m² and positive across all Grades. Ha Noi had 20,562 new businesses, up 9% YoY, with VND 263.8 trillion capital, up 28% YoY. The majority of enterprises were micro (70%) and small (29%); these proportions are expected to continue, boosting demand for small and creative office space. Co-working spaces have been growing in popularity with various brands entering, such as Regus, Up, Toong, Cogo, Tiktak, CEO Suite, Dreamplex and WeWork.

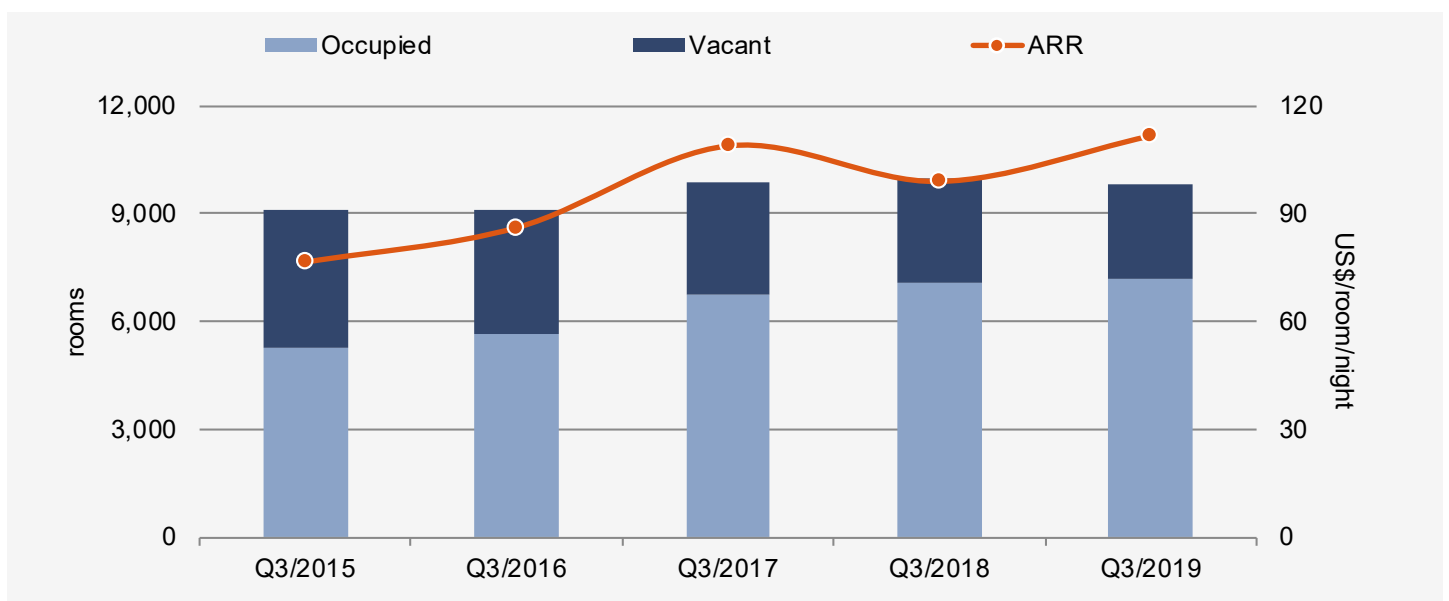
Expansion to The Secondary

Until the end of 2021, new supply of approximately 205,000 m² will enter, primarily in the Secondary area. New market entrants now see Ba Dinh and Dong Da districts as a core business area with large and modern office towers. Due to infrastructure developments such as metro systems and key roads, connectivity with other business districts (CBD & the West), this area has seen increasing supply of dynamic amenities such as F&B, health and fitness, and other supporting services. The CBD expects no projects to come online in the near future.

HANOI - HOTEL: MARKET CONTINUALLY IMPROVING

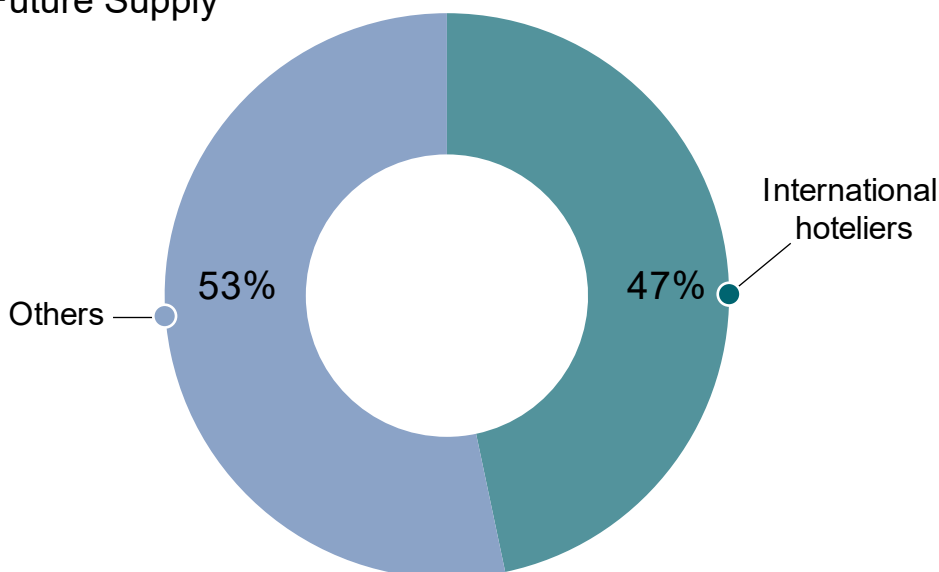


Market Performance



Source Savills Research and Consultancy

Future Supply



(1) Data collection as of Q3/2019
 (2) Occupancy calculated by occupied units divided by total available units.
 (3) Avg. Room Rate: including service charge, excluding VAT

Source Savills Research and Consultancy

QoQ: Quarter on Quarter comparison
 YoY: Year on Year comparison

“A healthy 9.6% YoY increase in international arrivals from major FDI source countries (SK, China, Japan) continues to support growth in the 5-star hotel performance, however, the rate of increase is less dramatic than the previous 2 years. The Formula 1 next year will fuel short-term arrivals in Q2/2020 and will overwhelm the 4 & 5-star market. Business and leisure travel remains strong – getting pollution under control will keep it this way.”

Matthew Powell,
Director, Savills Hanoi



KEY FINDINGS

Performance Improved

Total stock was approximately 9,800 rooms from 65 hotels (16 five-star, 18 four-star, 31 three-star), down -1% YoY due to the downgrade of three 3-star hotels. Average occupancy was up 2ppts YoY while the average room rate was up 13% YoY; revenue per available room increased 16% YoY.

The West and Five-star Lead

Although the West's ARR is second after the Secondary area, it was the market leader with 82% occupancy and RevPAR of US\$103/room/night. Five-star hotels had the best performance with a high average occupancy of 82% and ARR of US\$142/room/night. The RevPAR of the 5-star segment was US\$117/room/night; 4-star was US\$54/room/night and that of 3-star was US\$30/room/night.

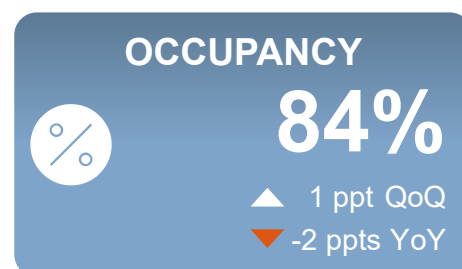
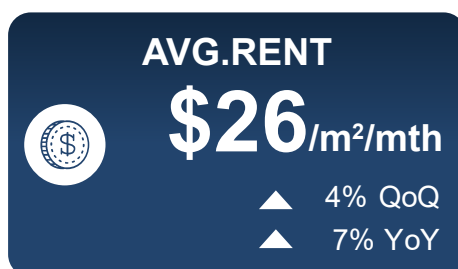
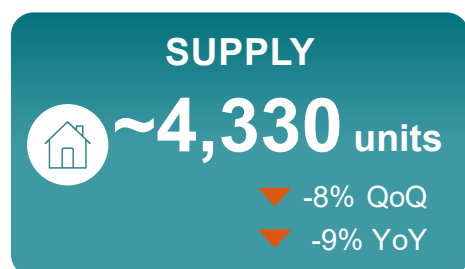
Popular Destination for International Visitors

In Q3/2019, Hanoi had approximately 7.2 million visitors, up 4% QoQ. There were 1.5 million international visitors, up 2% QoQ. In 9M/2019, Ha Noi welcomed more than 21.5 million visitors, increasing 9.4% YoY and 4.7 million international visitors, up 9.6%. South Korea surpassed China to become the top international source market.

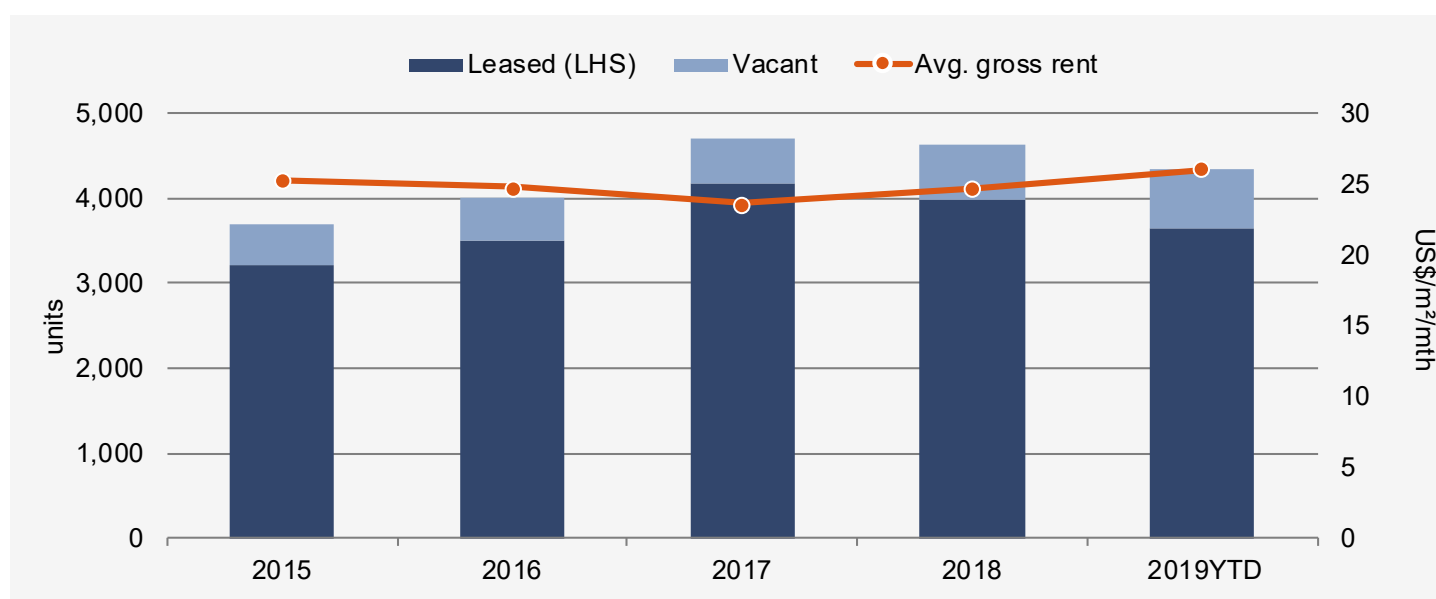
Positive Outlook for International Hotels

From 2019 onwards, 5,000 new rooms will enter; nearly 50% will be managed by reputable international brands such as Marriot International, Accor, Hyatt, Four Season and Hilton. In Q3/2019, international hotels outperformed domestic accommodation with occupancy of 80%, whilst ARR and RevPAR was double that of domestic hotels.

HANOI - SERVICED APARTMENT: LARGE FUTURE GRADE A STOCK



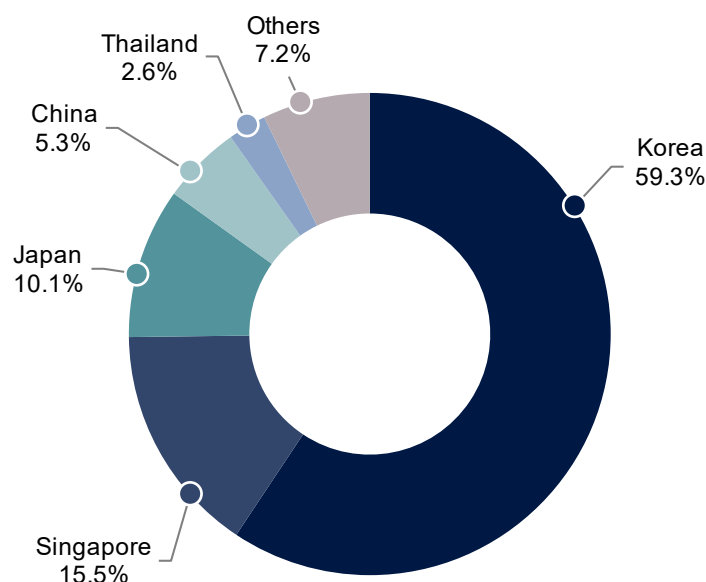
Market Performance



Source Savills Research and Consultancy

New FDI Into Ha Noi By Nation

US\$501 million



Source: FIA

(1) Data collection as of Q3/2019
(2) Occupancy calculated by leased units divided by total units.
(3) Avg. Rent: including service charge, excluding VAT

QoQ: Quarter on Quarter comparison
YoY: Year on Year comparison

“Despite providing the largest supply source, Grade A demand retained strong, especially powered by robust FDI inflows.”

Hoang Dieu Trang,
Senior Manager, Commercial Leasing



KEY FINDINGS

Grade A and Branded Operators Topped

The market had 4,330 units, decreasing -8% QoQ after the closure of two projects and the entry of one. Grade A had the strongest take-up while Grade B and C suffered decreases in leased units. Average market-wide rent increased 4% QoQ and occupancy remained high at 84 percent. Within the Grade A segment, branded operators charged 19% higher for rent than non-branded counterparts.

Downsizing Units And Flexible Terms

The trend of compact units saw the market share of studios and 1-bedroom units rocket from 16% in 1996 to 46% in Q3/2019. Tenants are not only expatriates and corporate executives with long-term leases but individual business/MICE/leisure travelers with requests for short-term stays. Cooperating with dynamic online travel agents, over 90% of serviced apartment operators now meet monthly and daily requests instead of only annual contracts.

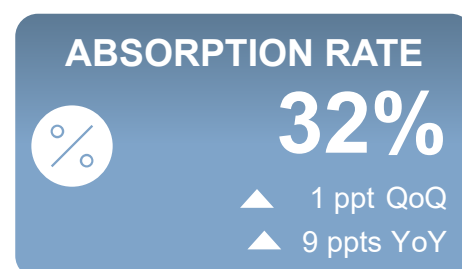
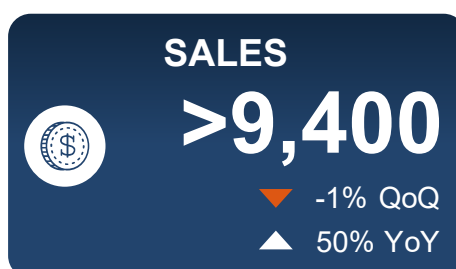
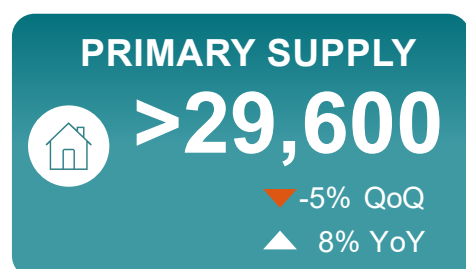
Golden Investment Stages

In 9M/2019, Ha Noi retained the most robust attraction to lure US\$6.1 billion or 23% of registered Foreign Direct Investment (FDI) to Viet Nam. Amongst the on-going U.S.-China trade clash, Viet Nam jumped from 23rd to 8th place in investment allure according to Best Countries to Invest In ranking 2019 published by the U.S. New and World Report. Beside traditional Japanese and Korean tenants, other Asian expatriates from Hong Kong, Singapore and China are expected to escalate demand.

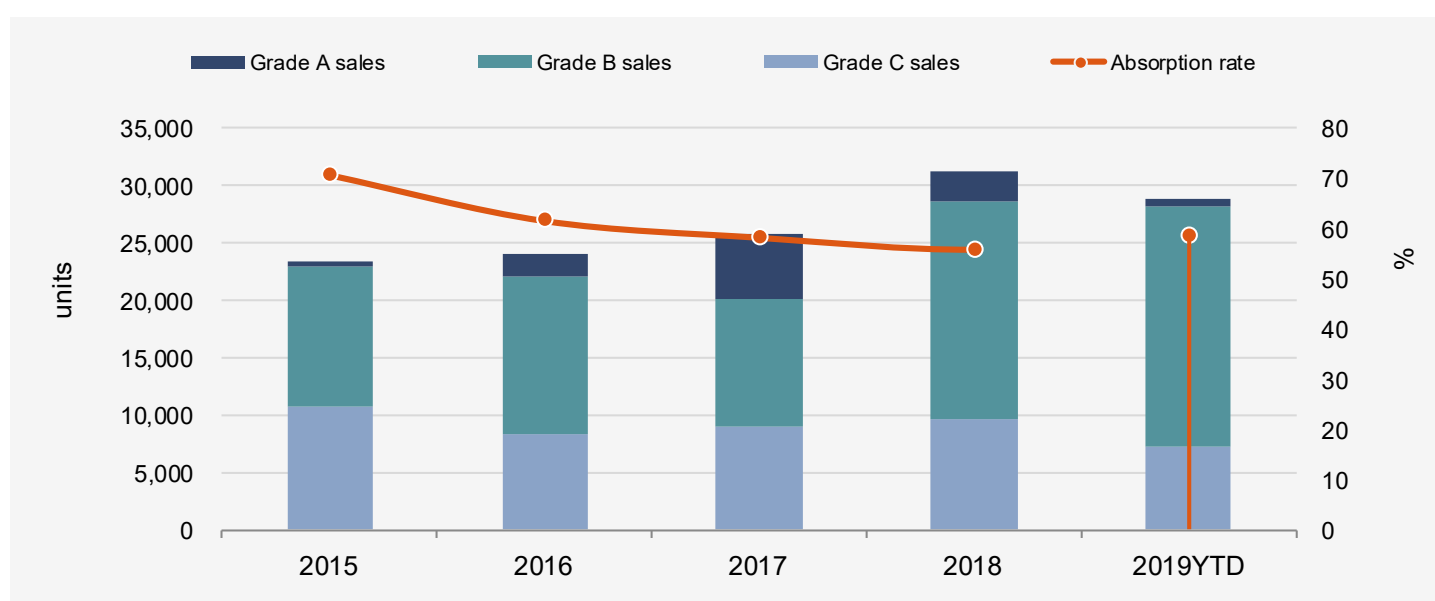
Vibrant future supply in Tay Ho

Four projects with approximately 1,000 units will enter in Q4/2019; three branded operators are positioned in Tay Ho and one player will enter in Hai Ba Trung. There is no future stock registered in Hoan Kiem due to scarce land bank.

HANOI - APARTMENT: INCREASED PRICES

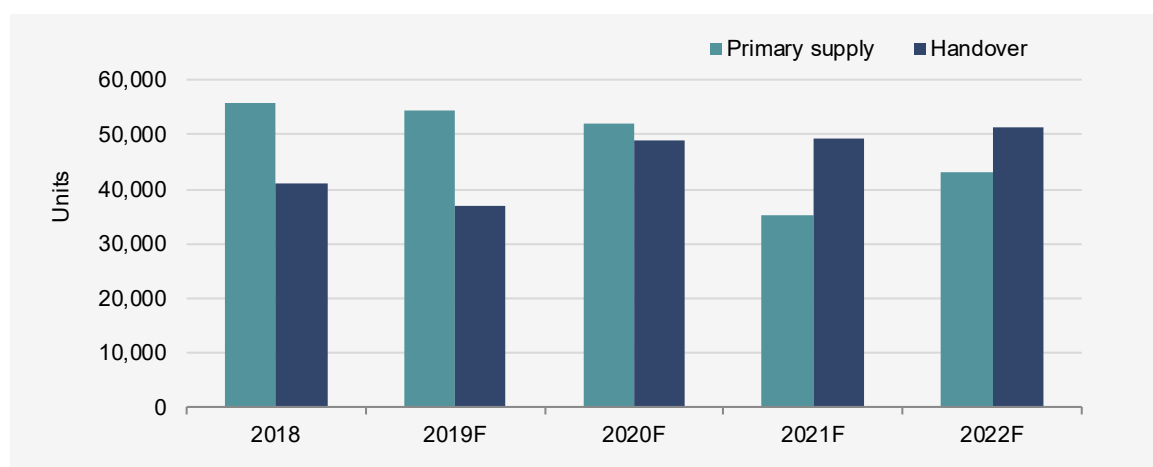


Market Performance



Source Savills Research and Consultancy

Outlook



Source Savills Research and Consultancy

(1) Data collection as of Q3/2019
(2) Absorption rate calculated by sales divided by primary supply

QoQ: Quarter on Quarter comparison
YoY: Year on Year comparison

“The high end segment continues to attract good demand with primary prices increasing favorably, delivering good capital gains for early participants.”

*Duong Duc Hien,
Director of Residential Sales*



KEY FINDINGS

New Supply Growth

In Q3/2019, eleven new and the next phases of nine projects provided approximately 8,100 units, up 23% QoQ and 17% YoY. Primary supply decreased -5% QoQ but increased 8% YoY to 29,700 units. Grade B remains the largest supplier, accounting for 67% share.

Gia Lam and Long Bien Led Sales

Primary price improved with a market-wide growth of 1% QoQ and 3% YoY. Grade A achieved the highest increase of 18% YoY mostly due to high prices of newly launched projects. Sales were down -1% QoQ but up 50% YoY. Eastern districts had the highest sales in this quarter with 40% share.

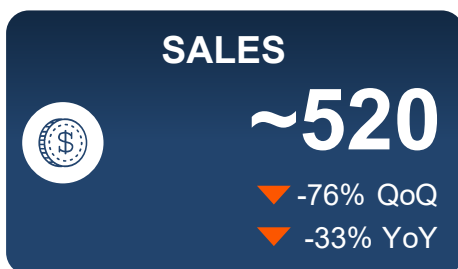
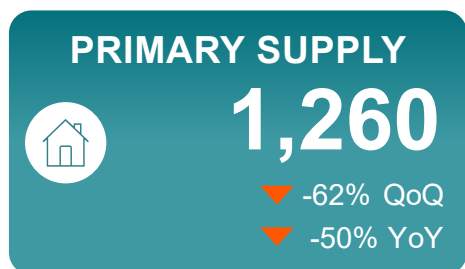
Momentum Continues

Momentum is derived from golden demographics and a positive economic outlook. Ha Noi's population has grown 2.2% pa over the last decade, with approximately 120,000 newborns and 80,000-100,000 immigrants annually. Viet Nam's HNWIs population is expected to grow at 10% pa for 2018-2023, ranking fourth worldwide. The country is expected to sustain growth rates of 7% pa in 2020s with a surge in GDP per capita reaching US\$10,400 in 2030.

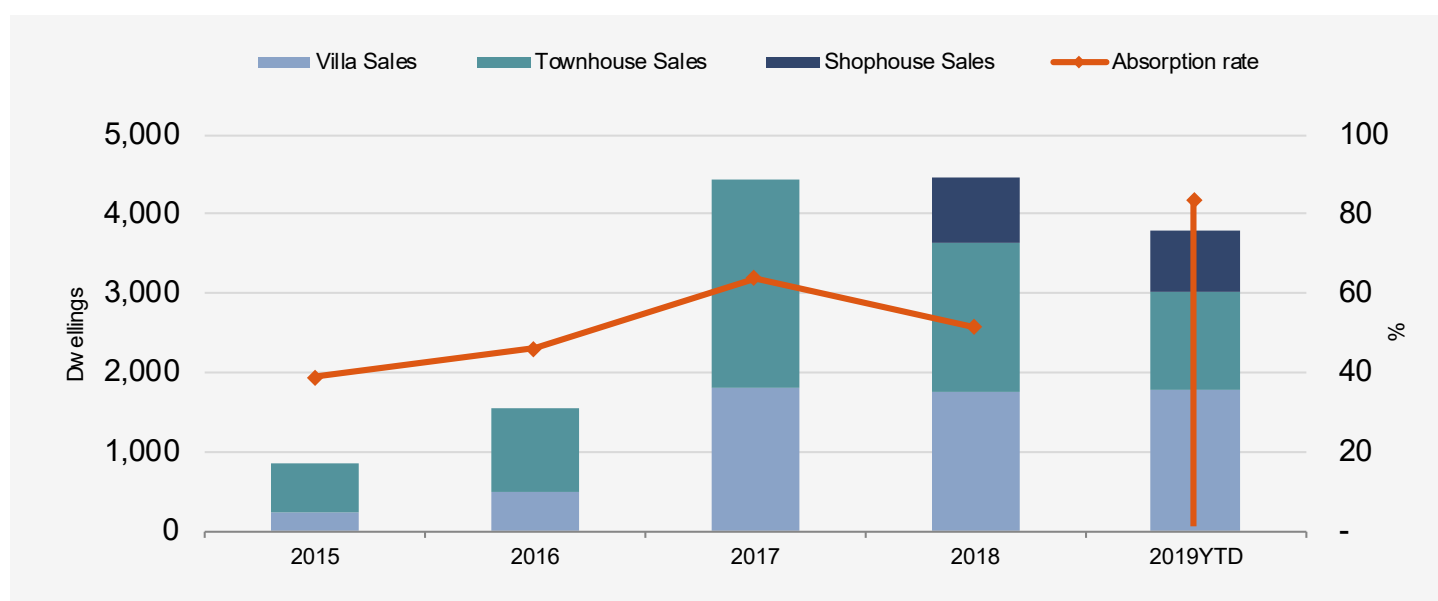
Wider Market

In the last quarter of 2019, approximately 15,800 units from 10 existing and future projects will enter. Future supply will spread from urban areas to rural districts. Gia Lam and Dong Anh Districts will supply a combined 30% share. From 2020 onwards, foreign developers including Sumitomo, CapitaLand and Mitsubishi Corporation will enter.

HANOI - VILLA & TOWNHOUSE: SUPPLY SHORTAGE

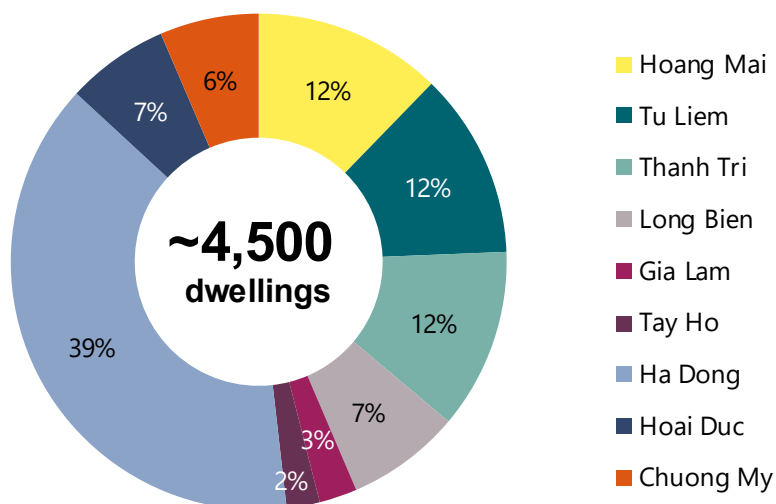


Market Performance



Source Savills Research and Consultancy

Future Supply till 2020



(1) Data collection as of Q3/2019
(2) Absorption rate calculated by sales divided by primary supply

Source Savills Research and Consultancy

QoQ: Quarter on Quarter comparison
YoY: Year on Year comparison

“The Eastern area dominated sales, driven by improved infrastructure and a nearer CBD location compared to the more developed Western market.”

Duong Duc Hien,
Director of Residential Sales



KEY FINDINGS

New Supply Dropped

Following a boom of supply in Q2/2019, there were only two newly launched projects in Q3/2019, providing 70 dwellings, down -95% QoQ and -72% YoY. This quarter usually has the lowest launches due to ‘Ghost Month’ (lunar July) and the ‘third quarter effect’. Gia Lam continued to lead the primary supply with a 20% share.

Promising Market Performance

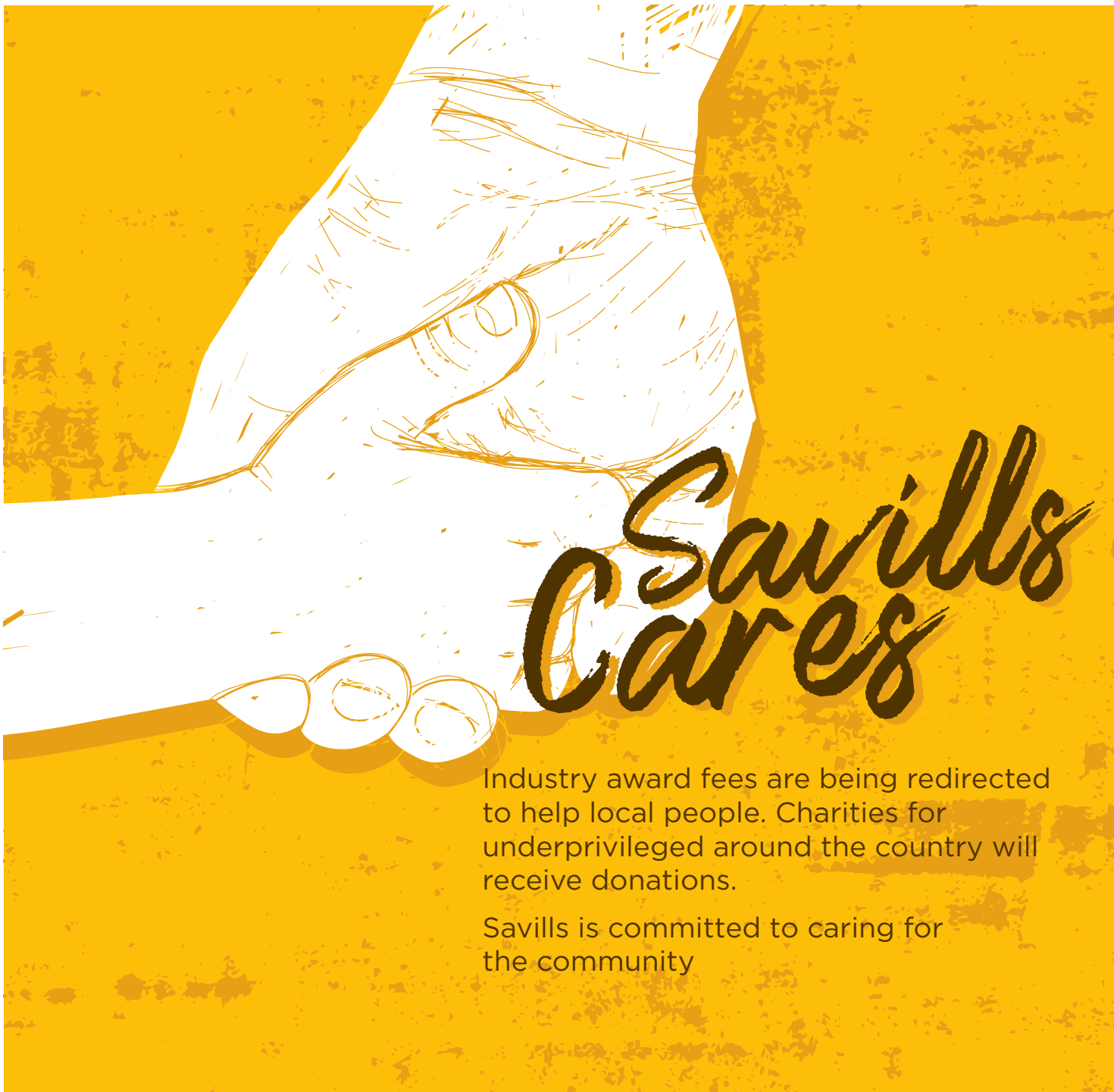
Performance decreased with 520 sales, down -76% QoQ and -33% YoY. The market has a promising outlook with quarterly absorption of 41%, up 10 ppts YoY. Most projects from reputable developers providing well-designed products and high-quality facilities. The best performing districts were Gia Lam and Long Bien, accounting for over 50% of transactions this quarter.

Stable Price

The slight change in primary prices came from the shift in the allocation of primary supply from active projects. Remaining supply from active projects with higher than average prices increased the overall market price. Average secondary prices were stable, up 0.5% QoQ for villas, 2.4% QoQ for townhouses, and 3.2% QoQ for shophouses.

Positive Outlook

In nine months of 2019, there were 6,000 newly established real estate enterprises, up 5.8% YoY. From Q4/2019 onwards, over 130 villa/townhouse projects across 18 districts will enter. Future supply will mainly be outside of Ha Noi’s centre.



Industry award fees are being redirected to help local people. Charities for underprivileged around the country will receive donations.

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Savills Research

We're a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors of the Vietnam property market.

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